



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: January 18, 2002

ATTENTION: Honorable Mayor and City Council
Agenda of January 22, 2002

SUBJECT: Street A (Rancho del Sol Way)
Portion of APN No: 305-021-15

REPORT NO. 02-017 Rev.
(See page 2 for revision)

SUMMARY

Issue - Should the City Council authorize a condemnation action to acquire a fee simple interest in certain property ("Subject Property") necessary for the construction of a portion of Street A (Rancho del Sol Way)?

Manager's Recommendation - Authorize the condemnation action to obtain the necessary property rights.

Other Recommendations - None.

Fiscal Impact - The estimated cost real estate, title, escrow, litigation and miscellaneous is \$78,000. Funds are available from Developers Trust Fund - No. 63020 for the Street A (Rancho del Sol Way) Project.

BACKGROUND

The Street A (Rancho del Sol Way) Project ("Project") provides for the construction of a portion of a street (Rancho del Sol Way) as an off-site improvement obligation of Costa del Sol, a residential real estate development approved by the City pursuant to TM 99-1087 and other entitlements. The property required for the Project ("Subject Property") consists of a roughly rectangular shaped piece of land containing approximately 0.0818 acres (3,564 square feet). The Project will allow for the construction of an approximately 110-foot long portion of Rancho del Sol Way which will connect the realigned Rancho Santa Fe Farms Road with the existing Rancho del Sol Way. The Project is required in order to provide street access to existing homes and future residential development planned and approved for the area.

The Project is an off-site improvement obligation of Costa del Sol, a 26.3 acre subdivision consisting of 100 detached condominium units, 32 multi-family condominium units (including 20 affordable housing units), and open space amenities (the "Development"). The Development is located within the Pacific Highlands Ranch, Subarea III and the Project, as part of Rancho del Sol Way, is an essential transportation connection needed in order to reduce circuitous travel, reduce congestion on local arterial streets, reduce travel time and increase motorist safety. Further, the Project will provide capacity for projected traffic in accordance with local and regional circulation plans.

On July 28, 1998 the City Council adopted the Pacific Highlands Ranch Subarea Plan for Subarea III of the North City Future Urbanizing Area. On November 3, 1998 the voters for the City of San Diego approved Ballot Measure "M" which approved an amendment to the City's General Plan to allow a phase shift within the Pacific Highlands Ranch from "Future Urbanizing" to "Planned Urbanizing". Thereafter the Development underwent land use processing and on March 20, 2001 the City approved the Tentative Map in Resolution R-294664, the Planned Residential Development Permit/Resource Protection Ordinance Permit in Resolution R-294665 the Findings to the Master Environmental Impact Report No. 99-1085 (~~"MEIR"~~) LDR No. 99-1087 to the Master Environmental Impact Report No. 96-7918 in Resolution R-294663, and related entitlements.

The Project is consistent with these Development approvals. As an offsite condition of the Development, the Findings to the MEIR addressed the Project in Resolution R-294663. The City Council found that the Development, including the Project, complies with CEQA and the information contained in LDR File No. 99-1087, LDR File No. 96-7918 and LDR File No. 99-0547. The Project will not cause any significant effect on the environment that was not examined in the previously certified MEIR and Findings.

The developer, Barratt American Incorporated, has been unsuccessful in its attempts to acquire the Subject Property in order that Street A (Rancho del Sol Way) can be completed. Accordingly, the developer has requested, pursuant to California Government Code Section 66462.5 and related California statutes and laws, that the City exercise its power of eminent domain to acquire the Subject Property. Copies of correspondence from the developer to the property owner have been submitted to the City Attorney's Office and the Real Estate Assets Department.

In accordance with California law, the City caused an appraisal of the Subject Property to be conducted. The current title holder of the Subject Property is Barratt American Incorporated ("Barratt"). Barratt, however, cannot convey clear title to the Subject Property to the City. Pursuant to a reversionary agreement, equitable title to the Subject Property remains with Sandra L. Barczewski Trustee of the Sandra L. McDowell Barczewski Trust U.D.T. dated December 30, 1984, as amended July 5, 1990 ("Trust"). Following recordation of the Final Map for the Development, legal title will revert to the Trust. Barratt has agreed to deed to the City any interest it holds in the Subject Property. A final offer, at the full appraised fair market value, to

acquire the Subject Property was made by the City to the Trust on December 13, 2001. That offer was not accepted. In its offer, the City expressed its willingness to meet with the Trust to discuss the offer. The Trust has not contacted the City, though the City remains willing to continue negotiations. Condemnation is requested to insure that the Subject Property can be acquired and road construction begin in a timely manner.

DISCUSSION

Eminent Domain law requires that any person subject to condemnation proceedings be given the opportunity to speak and be heard regarding the following questions to which the City Council must address itself:

1. Does the public interest and necessity require the proposed project?

Yes. The public interest and necessity require the construction of the Project as a portion of Street A (Rancho del Sol Way). The Project is an important segment of the local arterial street system in the Pacific Highlands Ranch, Subarea III and is necessary in order to assure adequate capacity for projected traffic, assure adequate and safe access to existing and planned residential areas, and to reduce congestion, circuitous travel and travel time. The Project implements local and regional circulation plans. This Project was analyzed, planned for and is consistent with the above cited City Resolutions R-294664, R-294665 and R-294663 and related approvals. Without this 110-foot long segment of Street A residents and visitors to the area will be prevented from directly accessing the realigned Rancho Santa Fe Farms Road that will cross over State Route 56. Instead motorists would be forced to take an inefficient, circuitous route requiring several 90 degree turns. Absent this Project residents and visitors to the area would encounter circulation and congestion difficulties, travel delays and commuting difficulties.

2. Is the proposed project planned or located in the manner that will be most compatible with the greatest public good and the least private injury?

Yes. Condemnation of the Subject Property is consistent with the essential transportation requirements for the Pacific Highlands Ranch, Subarea III and the roadway configuration approved by the City as part of the Development. The public benefits of the Project include a safer, more reliable street system that will reduce congestion and delay. Construction of the Project will improve direct vehicular access to existing and planned residential developments. The Project will also provide a necessary connector street to Rancho Santa Fe Farms Road to the East which is being realigned as a result of CalTrans construction of State Highway 56. Alternative locations for the Project were evaluated as part of the detailed investigation and analysis of the Development but were rejected as being either less reliable or more likely to interfere with existing and planned local transportation roadways. The Project has been designed to minimize impacts on adjoining property owners at the same time it maximizes access to public streets. In

particular, without the Project, a portion of the existing Rancho Santa Fe Farms Road crossing the Trust's property would have to remain open rather than being vacated to vehicle traffic. This would reduce the Trust's developable land area. With the Project the existing Rancho Santa Fe Farms Road over the Trust's property will be vacated.

3. Is the property sought to be acquired necessary for the proposed project?

Yes. The Subject Property sought to be acquired is the minimum needed to provide the balance of the right-of-way required to construct a 110-foot long stretch of Street A (Rancho del Sol Way). Acquisition of the Subject Property will allow the City to build a safe, reliable connector street between the realigned Rancho Santa Fe Farms Road and the existing Rancho del Sol Way. The Subject Property is needed in order to provide an essential transportation connection for local and regional vehicular traffic. Without the Subject Property, Street A will not connect to the realigned Rancho Santa Fe Farms Road and traffic delays, congestion and circulation difficulties will result.

4. Has the offer required by Section 7267.2 of the Government Code been made to the owner of record for the property sought to be acquired?

Yes. On December 13, 2001, the City communicated in writing an offer to acquire the Subject Property to the Trust in accordance with Section 7267.2 of the Government Code. The offer was not accepted and the Trust has not entered into any further negotiations to sell the Subject Property to the City.

ALTERNATIVE

Do not authorize a condemnation action, and conduct further studies for the relocation of Street A (Rancho del Sol Way). This alternative is not recommended because alignment studies that have been previously performed establish that the Project represents the most direct routing for the road, causes the least injury to adjoining properties and preserves the most land for development.

Respectfully submitted,

William T. Griffith
Real Estate Assets Director

Approved: Bruce A. Herring
Deputy City Manager